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**REPUBLICAN BUDGET MAGIC TRICK:
HOW TO MAKE A \$5.6 TRILLION SURPLUS DISAPPEAR &
UNDERMINE SOCIAL SECURITY AND MEDICARE**

WASHINGTON, D.C. - On July 11, 2001, Republican House Majority Leader Dick Armey said, "We must understand that it is inviolate to intrude against either Social Security or Medicare and if that means forgoing or, as it were, paying for tax cuts, then we'll do that." U.S. Representative Jan Schakowsky (D-IL) said that the Majority Leader's words ring hollow since the House Republicans are offering a budget that virtually spends all of the [Social Security](#) surplus to pay for last year's tax breaks that mostly benefit the wealthy.

[An in-depth analysis of the House Republican Budget](#) was prepared by U.S. Representative John Spratt, Jr., ranking Democratic Member of the Budget Committee. Here are some of the "lowlights" :

1. The Republican Budget Resolution would take over \$1 trillion from the Social Security Trust Funds and eliminate the Medicare surplus over the next five years.

The President and every House Republican leader [promised](#) last year that every single dollar of the Social Security and Medicare surpluses would be saved for Social Security and Medicare. With this Republican budget, virtually no dollar of the Social Security and Medicare surpluses will be saved for Social Security or Medicare.

The Congressional Budget Office reports that the single biggest factor in the disappearing surplus is the Bush tax cut, not the war on terrorism or the recession.

2. The Republican Budget Resolution [abandons domestic priorities](#)

The Budget Resolution:

- cuts \$90 million from last year's bipartisan legislation that funds our nation's main elementary and secondary [education programs](#) ;
- eliminates the Community Access Programs (CAP) and Health Professions Training program, freezes funding for the Ryan White AIDS Programs, and slashes funding for Rural Health Activities by \$54 million;
- cuts the Violence Against Women Act Grants, and funds the Legal Services

Corporation well below needed levels;

- cuts state and local law enforcement grants by \$1.7 billion;
- funds the Community Development Block Grant program at \$379 million below what is needed to maintain current levels;
- does not include an additional \$1.3 billion in [federal highway funding](#) requested by the Democrats.

3. The Republican Budget Resolution does not offer seniors a comprehensive, affordable, and voluntary prescription drug benefit under Medicare

4. The Republican Resolution does not take into account future impending costs like additional funding for homeland security, response to natural disasters, which will require more funds for FEMA and other federal agencies. None of these or other certain or likely contingencies are accommodated in the resolution, making its projections highly suspect.